[27th November 1928

Principle of granting loans to the Carnatic Paper Mills Company, Limited.

* 695-A Q.—Mr. K. V. R. Swami: With reference to answer to question No. 74, dated 20th October 1927, will the hon. the Minister for Development be pleased to state—

(a) the purpose for which each loan was granted to the Carnatic Paper Mills;

(b) the total liability of the firm on the date of the last loan;

(c) whether each loan was secured by a mortgage bond;

(d) the date on which the first loan was actually paid;

(e) the purpose for which it was actually applied; and

(f) whether by the date when it was granted the company had dispensed with the services of most of their staff and, if so, for what reason?

A.—(a) Rupees 4 lakhs were granted to redeem prior mortgage and to clear certain other liabilities; the balance to pay the staff, to maintain property, to pay off insurance charges, to meet Court cost, etc.

(b) Rupees 7,86,898 on 30th June 1927.

(c) Yes.

(d) 14th March 1925.

(e) For redeeming prior mortgage and clearing certain other liabilities.

(f) The Government have no information.

Possibilities of repaying the loan by the Carnatic Paper Mills, Limited.

* 695-B Q.—Mr. K. V. R. Swami: Will the hon. the Minister for Development be pleased to state whether the Government in demanding the loan amount due to them from the Carnatic Paper Mills, Limited, have considered the possibility of their repaying the loan?

A.—Yes.

Alleged decision of the Government not to grant further loans to the Carnatic Paper Mills.

* 695-C Q.—Mr. K. V. R. Swami: Will the hon. the Minister for Development be pleased to state—

(a) whether the Government have decided not to advance any money to enable the Carnatic Paper Mills to start work;

(b) if so, when;

(c) what the reasons for such decision are;

(d) whether the Government have intimated their decision to the Mills;

(e) if so, when; and

(f) if not, why not?

A.—(a) Yes.

(b) Early this year.

(c) The attention of the hon. Member is invited to the speech of the hon. the Finance Member on the adjournment motion on the 5th September 1928.